

Article, October 25, 1879

BOSTON DAILY ADVERTISER

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THE TELEPHONE SETTLEMENT.

The rival and conflicting interests in the various telephone patents have at last been harmonized, and Professor Bell is master of the field. The stockholders of the National Bell Telephone Company met in this city yesterday, and ratified the compromise by which all matters in controversy were terminated. The Western Union Telegraph Company, acting for and on behalf of the Gold and Stock Telegraph Company, the American Speaking Telephone Company and the Harmonic Telegraph Company, agrees to withdraw from the telephone business in the United States, leaving the field entirely clear to the company operating under the Bell patents. All persons who hold rights from other companies will be licensed under these patents. The Western Union further agrees to allow the Bell Telephone Company a percentage on the telegraphic business received through its instruments, and to co-operate to the extent of its power.

Under this adjustment the Bell Telephone Company acquires all the telephonic inventions of Elisha Gray of Chicago, of Thomas A. Edison, of George M. Phelps, and all others who had assigned their interests to the Western Union or other allied companies. The right to connect telephonic district or exchange systems remains exclusively with the Bell Company, which will also license the Western Union to use the telephone for transmitting telegraphic messages. The compromise thus not only secures freedom from litigation and control of all the patents now out for the purpose of transmitting human speech, but establishes harmony of interests between the Western Union and the new company, which must be of inestimable value to both.

Library of Congress

The sum paid by the Bell Company to secure this most satisfactory settlement is not stated, but is presumed to be a large one; and from a commercial point of view it is money well invested. The National Bell Telephone Company was formed a very short time ago, with a nominal capital of \$850,000 in shares of one hundred dollars each. The last sale of shares was at seven hundred dollars, though the company has not yet paid a dividend. The large earnings have been used partly in extending the plant and partly in litigation, which at one time threatened to make this, like other valuable patents, a painful and costly possession. Now that litigation is ended and the world is all before it, the Bell telephone has a future of fame and fortune in store for it not surpassed by any of the great discoveries of our time.